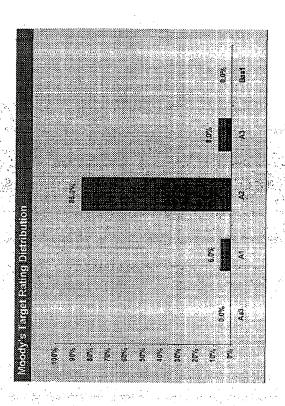
## dicative Target Asset Allocation<sup>1</sup>



The Portfolio is expected to consist of approximately [55] issues with a projected average rating of [A2/A]

► All of the assets in the initial portfolio will be rated at [A3/A-] or above

► The Portfolio is expected to be [90]% ramped on the closing date.

Portfolio targets are indicative and subject to chan

Confidential Treatment Requested by Citi

## Indicative Transaction Terms<sup>1</sup>

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<sup>1</sup> The information presented is preliminary and

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### THE MANAGER

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# Credit Suisse Alternal

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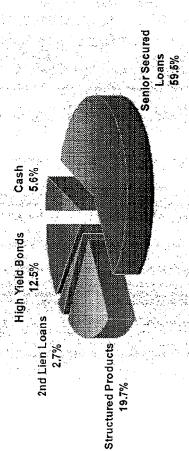
### Firm Overview

- · Credit Suisse Alternative Capital, Inc. is an indirect subsidiary of Credit Suisse Group
- shares (CSGN) are listed in Switzerland and Frankfurt, and in the form of American Depositary Shares (CSR) in New Credit Suisse Group is a leading global financial services company headquartered in Zurich. Credit Suisse Group is engaged in investment, private, and commercial banking, and asset management. Credit Suisse Group's registered York
- Founded in 1856, Credit Suisse Group has 150 years of history and operates in over 50 countries with approximately 45,000 staff of over 100 different nationalities.

### Firm Overview (continued)

CREDIT SUISSE ALTERNATIVE INVESTMENTS IS ONE OF THE PREMIER CREDIT & STRUCTURED PRODUCT INVESTMENT MANAGERS

- Credit Suisse Alternative Investments' Leveraged Investments Group ("LIG") through Credit Suisse Alternative Capital, Inc., will manage Class V Funding III, Ltd.
- ► LIG has two core competencies
- Managing credit risk assets
- Structured products
- ► Assets under management—approximately \$15.0 billion market value, including \$2.49 billion in structured products



Market value as of November, 2006. Includes uninvested principal ogsh and defaulted securifie

### (ano de la company)

# Leveraged Investment Group (LIG) Organization

William Nunez - 12 Years Vice President Adam Kaplan • 7 Years Associate Daragh Murphy, CFA - 8 Years Samir Bhatt - 10 Years Vice President Jakob von Kalckreuth - 4 Years Brian Herr - 8 Years Associate Judy Sun - 8 Years Vice President ABS Regan Hoult, CFA - 7 Years Vice President Ayesha Chenoy - 5 Years Associate Roberta Girard · 6 Years Associate Asla/Pacific Europa Josh Mednick, AVP Doreen Nitollano, AVP Daryl Philis, AVP Nicholas Miloyich - 10 Years Vice President Adrienne Dale . 7 Vears Vice President Adrigmotive . . Retail & Restaurants · Aerospace & Defense · Cargo & Transportation Maggie Swales, VP Mgr. Michelle Murissi, VP Mgr. Paut Bodnar, AVP Raphael Savitz Bill Cirocco, Director LIG will have responsibility for the management of the CDO Media & Telecommunications
 Printing and Publishing Louis Parano - 13 Years
Vice President
- Consumer Products
- Food Bevelage & Tobacco Vance Shaw, CFA . 25 Years Ed DeBruyn, 9 Years Vice President • Manufacturing • Paper & Packaging David Mechijn - 1 Year Analyst Linda Karn - 12 Years\* Ryan Liffr 7 Years Vice President • Building Products • Ecological • Metals & Mining Director
Out & Gas
Utilities John Ladigoski, VP Mgr. Yancy Hoyos, AVP Donya Ramsay, AVP Treates are Andrew Marshak, Managing Director Portfolio Management & Trading 17 Years Experience David Lerner, Managing Director' U.S. Leveraged Loans 17 Years Experience John Popp, Managing Director' Group Head 23 Years Experience Michael Shackelford, Director Richard Quin, Director Asia/Pacific 18 Years Experience SEMBOR MANAGEMENT Lauri Whitlock, Director Chief Operating Officer 17 Years Experience Thomas Flannery, Director U.S. High Yield Bonds Glenn Clarke, Director\* Europe 10 Years Experience 14 Years Experience Charles Abraham, VP Mgr. Giselle Almanzar, VP

\*\* European Credit Committee member.

### citigroup

### **ABS Investment Team**

s of LIG have extensive experience in structuring and investing in CDO's and The 5 ABS investment committee member ABS securities

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- The committee also meets on an ad hoc basis to approve credits for purchase that The ABS investment committee meets once a week to review the portfolio and discuss purchases made pursuant to are not included within approved investment parameters established investment parameters.
- LIG ABS portfolios are managed by Michael Shackelford. Mr. Shackelford has over 13 years of investment experience, including managing ABS portfolios for the past 8 years and managing ABS CDO portfolios for the past 4 years
- ncluding 5 years of ABS credit research af Credit Suisse's investment bank, and 2 years of purchasing ABS credits for LIG ABS credit research is headed by Samir Bhatt, Mr. Bhatt has over 10 years of ABS credit research experience, LIG CD0 portfolios

## **LIG CDO Vehicles Unde**

Closing Date	6661 8661	2001 - 2004	2002 2008	2005-2006	Dot 2008	2005-2006	4pm12005	May 2006	July 21886	Dec 2006	90% - 2000	
		38	20	37	S.d.	ñ	*	23	•	H	2	
Total Approximate Initial Capitalization (\$MM)	2,500	2,200	2,614	2,099	850	1,962	205	300	2,11KA	5005	1,355	S16,485
Total Ap Capita												
		ş				O Bonds	Sature CTXO's	Estate CDO's				
Original Target Asset Mix	e Bents	75 - 90% Loans / 10-23% Bonds	83-90% Loams / 10-159% Exnuts	85-9088 Loans / 10-1398 Bonds	% Beinds	80% EURO Loans / 10% EURO Bonds	$k(R^{\prime}(R^{\prime}), C(R^{\prime}), C(R^{\prime})$	ABS CLX3's, CLO's and Beal Estate CDO's	Securities	Securities	×	
riginal Targo	75% Loans / 15% Bands	5 - 90% Loans	5-900% Lisms./	5-90%s Loans /	5961 ours / 15% Bends	9% EIRGLa	BSCDOS.C	BS CDC 3, C	High Childe AlfS Securities	Mczzanine ABS Securities	High Yield Bonds	
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CDO Vehicles	First Dominic	CSAM Funding 3-1V	V::/ mmm/	Madison Purk L. III	Castle Gorden Frading	Cadogan Squ	Class V Pinding	Class V Funding if	Kidgewiy Court Funding	Adam's Square Funding	Other Vehicles	Total

Leveraged Loans includes cash representing principal proceeds pending reinvestment in substitute portfolio assets. High Yield Bonds includes CDO securities. Cadogán Square CLO I, II, and III are managed by the LIG team on behalf of Credit Suisse International E 1,410,400,000 @ 1.3199 as of December 31, 2006.

Includes \$338 MM of undrawn super senior swap.

Other Vehicles' includes firre CDO Vehicles currently managed by the LIG tean consisting of primarily high yield bonds. The current LIG team assumed the management of the Other Vehicles in connection with the acquisition of the asset management business of First Dominion Capital, LLC (\*FDC") by DLJ Asset Management Group, Inc. ("DLJAM") and the subsequent acquisition of DLJAM by Credit Suisse in 2000. Each of the CDO Vehicles was organized prior to the acquisition of the asset management business of FDC by DLJAM and the acquisition of DLJAM by Credit Suisse.

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# 3. Portfolio Construction and Managemen

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### **Investment Philosophy**

- LIG utilizes a credit-intensive, relative value investment approach in managing structured finance assets
- LIG believes performance is driven by a strong credit culture and systematic investment process
  - · Income, not trading gains, is intended to be the primary contributor of return
- Relative value discipline mark-to-market versus new issue pricing
  - · Focus on preservation of principal protect against downside
    - Efficient diversification of asset type, issuer and servicer

### Underlying Collateral Evaluation of Ongoing Transaction Monitoring and Surveillance Credit Committee and Investment Process Transaction Structure Evaluation of Collateral Manager Evaluation of

2

**CDO Investment Process** 

### # drough

### **CDO Investment Process**

- Evaluation of Transaction Structure
- Analysis of structural features and protections
- Specific collateral quality tests including investment restrictions
- Projected Cash-Flow from underlying collateral through CDO waterfal
- Break-even collateral default and loss levels for
- Break in yield
- 0% yield
- Livaluation of Collateral Manager
- Understanding the collateral manager's overall strategy and their motivation for the CDO transaction
- Manager organizational structure and resources dedicated to credit analysis and surveillance
- Historical performance of previous CDO transactions and or manager track record as related to the underlying asset classes of particular CDO
- Evaluation of Underlying Collateral
- · Break-down of assets by credit rating and underlying asset classification
- Further analysis of larger positions and/or lower-rated assets, including discussion with collateral manager or obtaining manager credit report
- Review purchase prices of underlying securities and recent mark-to-market (if secondary position) including valuation

## **CDO Investment Process**

Monitor CDO performance by evaluating distribution reports for Ongoing Transaction Monitoring and Surveillance

- Collateral Characteristics
- WARF, WAL, WAC, Weighted Average Spread
- Compliance of OC/IC Coverage Tests.
- Change in underlying collateral mix
- Fixed-rate assets vs. Size of hedge(s)
- Cash Flow Characteristics
- Interest and Principal payments to debt classe
- Hedge payments
- Equity distributions
- Surveillance of underlying collateral characteristics:
- Rating changes of underlying collateral
- Delinquency and default performance of underlying ABS securities
- Changes in credit outlook of underlying leveraged loans or bonds
  - Price movements of underlying collateral
    - Surveillance Tools:
- Distribution Reports
- Rating agency reports and surveillance,
- Intex historical performance data

### Citiaroup

### Monitoring and performance and Survellance ▶ Investigate poor mark-to-market statistics using versus original ▶ Obtain regular pricing for buy/sell/hold performance performance expectations performance > Monitor key surveillance ➤ Evaluate decision system internal pricing Track Consensus decision value versus other > Compare relative available credits nvestment Decision issuer/servicer coverage ratio ➤ Appraise loss collateral and versus rating structure ▶ Discuss making Now from underlying - Develop breakeven default/loss levels, nterest rates and ransaction collateral through Study structural Determine cash prepay speeds, deal waterfall scenarios by eatures and protections adjusting. deal trigger ▶ Derive defaults and to-value ratio, etc) Scrutinize detailed (e.g., FICO, LTV, IO's, MTA's, 2nd Ilens, etc) collateral (e.g., by credit score, loanloss curves using Underlying Collatera/ characteristics break-down of historical data > Examine key collateral mitigation and firm's Research servicer's underlying collateral exception process servicing and loss methodology and Assess servicer's dedicated to loan financial strength Review historical ssuer's previous ssuer and Vunderstand the performance of rack record as Service related to the transactions underwriting guidelines, resources ssuer's

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**CDO/ABS Investmen** 



# Case Study—Key Asset Characteristics

- Scrutinize key collateral characteristics
- ► Examine detailed breakdown of collateral
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